THE FARM INDEX

January 1969

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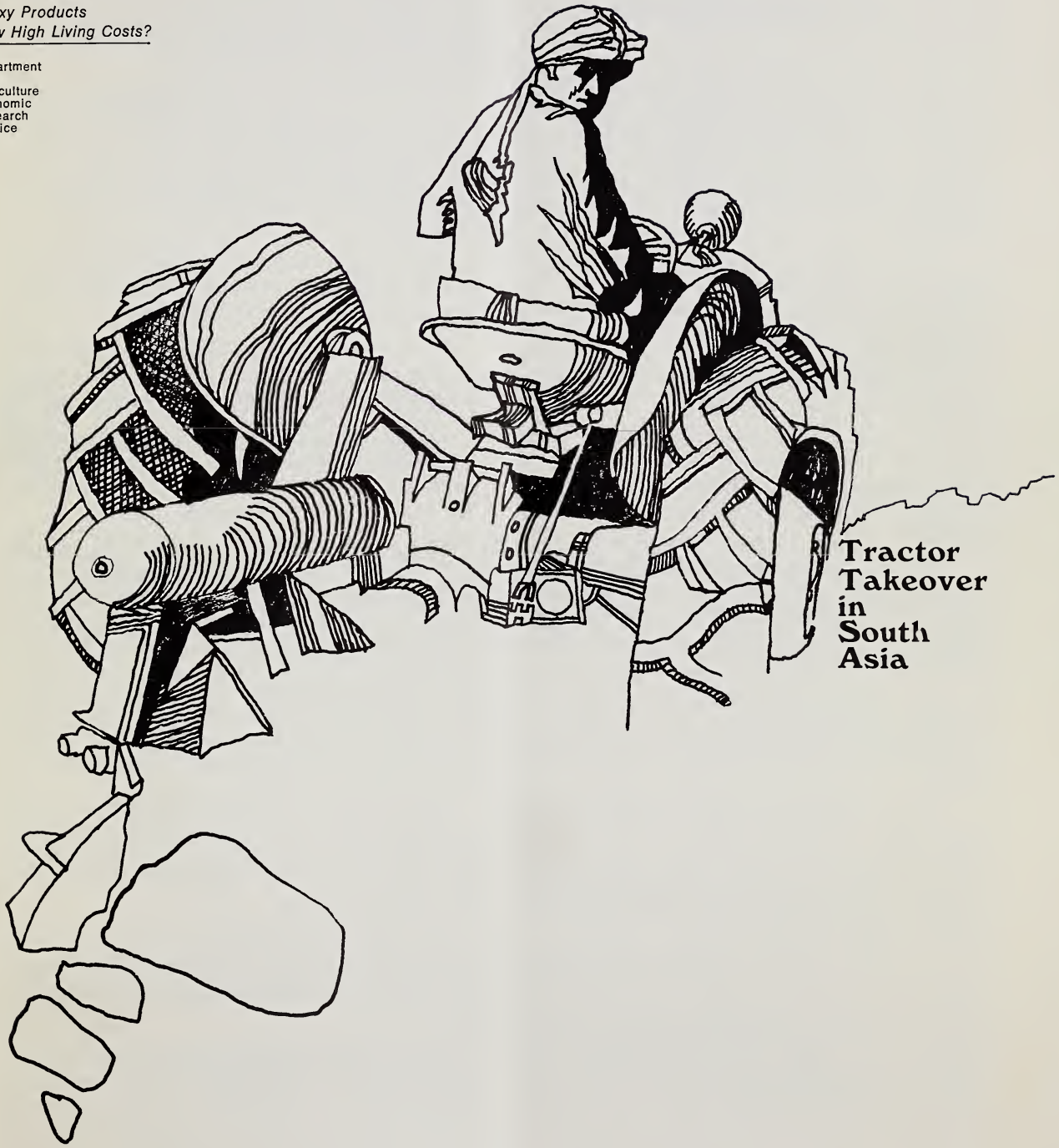
U.S. Department of Agriculture Economic Research Service



Tractor Takeover in South Asia

THE AGRICULTURAL OUTLOOK

How much did we spend on food in 1968? About $101 billion—up nearly 2.5 percent over 1967—and that doesn't include alcoholic beverages. Retail food prices overall were up an average of 3.5 percent. Prices just for food eaten away from home were up an average of 5 percent.

Farmer's sales of all farm products: $44 billion. This was over $1 billion more in cash receipts from farm marketings than he got in 1967. This 2-percent gain was attributed to a combination of higher prices and a larger volume of farm marketings. Gross farm income rose to a record $51 billion in 1968.

But expenses took a big bite. Higher prices on most farm production items—plus greater use of feeder livestock, fertilizer, and feed—took a big chunk out of the farmer's gross income in 1968.

Net farm income rose, however. Realized net farm income last year went up 5 percent to around $15 billion. This came to about $4,900 per farm—a sizable increase over the average $4,526 per farm in 1967.

One reason: Better prices to farmers. The USDA's index of prices received by farmers in 1968 showed a 2.5-percent gain over the previous year.

Higher food industry wages. Hourly earnings received by workers in the food and related industries averaged $2.79 per hour in third quarter 1968, a rise of 6 percent over a year earlier. (For food marketing wages, year ending August 1968, see page 14.)

Crop output climbs. Most of the 3-percent gain in crop production for 1968 came from a 46-percent increase in cotton. But rice, most fruit, processing vegetables, wheat, soybeans, flaxseed, and sugar beets also contributed. Decreases in feed grains, tobacco, and hay tended to hold down total output.

And so do farm asset values. Starting at $283.5 billion on January 1, 1968, farm assets grew about 4 percent in value throughout the year. Most of this rise was due to increases in the value of farm real estate—which represents about two-thirds of all farm assets.

Takes more to feed more. The U.S. public used up 2 percent more food commodities in 1968 than they did in 1967. Most of this was civilian use, the result of our population growth. The military share of consumption was expected to be up also.

We ate more beef, pork, cheese, ice cream, low-fat fluid milk, processed vegetables, rice, and soft drinks per person last year.

We ate less veal, lamb, eggs, chicken, turkey, fluid whole milk and cream, citrus fruit, apples, fresh vegetables, and melons per person.

And we ate about the same amount—on a per person basis—of sugar, fats and oils, potatoes, cereal and bakery products, and coffee and chocolate products as we did in 1967.

We gave away more food to the U.S. needy, too. The 1968 rate of food donations—particularly to low-income families—will show a marked increase from 1967. As of last June, 3.2 million persons in needy families were receiving USDA domestic donations of food commodities. Another 2.4 million people were benefiting from USDA's Food Stamp Program and 21 million school children and 1 million persons living in institutions received donated commodities.

What's likely to be on the menu this year? Probably more red meat and broilers, fruits of all kinds, and fresh and processed vegetables. But we're likely to be cutting down on turkey, veal, lamb, and eggs.

1969 Agricultural Outlook is feature of next month's Farm Index. The February issue will run eight special pages of charts and commentary.

The National Agricultural Outlook Conference will be held in Washington, D. C., February 17–19.

urea: CRYSTALS FOR CATTLE

Commercial urea is an effective source of protein that came out of the chemistry lab. Over half the cattle in feedlots probably get some of it in their rations today.

Use of a synthetic protein source in U.S. livestock rations is now widespread. It's urea.

More than half of all the cattle in U.S. feedlots are probably being fed some urea—judging by the findings of an ERS survey covering more than 6,000 cattle feeders and 20 percent of the cattle on feed April 1, 1966.

Urea is fed in three main ways: in commercial mixed feed; in a concentrate ration mixed either by the cattle feeder himself or custom mixed to his order; and mixed in silage.

Unmixed, urea takes the form of white, water-soluble crystals. Until 1828, chemists thought that only life processes could produce this organic substance that was the final waste product from protein foods. Then a German chemist, Friederich Wöhler, figured out a way to produce urea in his laboratory. And the nitrogen compound is made today by dehydrating ammonium carbamate synthesized from ammonia and carbon dioxide.

Commercial urea is used to replace part of the protein in the ration for cattle, sheep, and other cud-chewing animals whose four-way stomachs are naturally efficient feed processors.

Urea supplies no food energy itself. It must be used along with a carbohydrate, such as corn or molasses, before micro-organisms in the ruminant stomach can convert it to digestible protein.

Properly formulated, urea is as effective a protein source as natural feeds like corn and cottonseed and soybean meals. And the combined cost of urea and the carbohydrates to activate it is usually much less than that of natural protein sources.

Up to now, it has been difficult to measure the quantities of urea used in livestock feed.

The main reasons: Urea is widely used for fertilizer and industrial purposes as well as for feed, and technical problems formerly restricted feed use to so-called *feed-grade* urea.

But these problems have now largely been solved and most commercial grades of urea have become multi-purpose in use. Thus, commonly quoted estimates of feed-grade urea represent only a part of the urea actually fed to livestock.

The ERS survey of actual use in feeding indicates that about three times as much separately purchased urea is being used as an ingredient in feed as might be supposed from information about so-called feed-grade (42-percent nitrogen) urea.

Among other findings of the survey:

—About 327 million pounds of urea were consumed by cattle in U.S. feedlots during the 1965/66 feeding year.

—More than 30 percent of all operating feedlots and 58 percent of the cattle on feed April 1, 1966, were using urea. This included three-fourths of all feedlots with over 300 head on feed.

—About 80 percent of the urea ration was bought in mixed feeds and 20 percent as a separate ingredient to be mixed in concentrates or in silage.

—Three protein percentage grades of urea were purchased as a separate ingredient. A little more than half of the first-quarter 1966 purchases were 45-percent nitrogen grade; a third, 42-percent; the balance, 46-percent.

—More than half of all feedlot operators who buy urea as a separate ingredient mix it on the farm with their own equipment. Local feed dealers are the major mixers for small feedlots. Only in the Northeast are mobile mills

most commonly used.

—Local feed or farm supply stores are the main source of supply for urea as a separate ingredient. But urea manufacturers supply most feedlots with more than 1,000 head on feed.

—Urea is used in cattle feeds in all regions, but size of operation can swell the quantity.(*1*)

Funds Flow From Intermediate Banks to Farm Banks to Farmer

Modern farmers need money for operations. Much of it is borrowed.

The lender's money, in turn, may come from a Federal Intermediate Credit Bank (FICB).

If you are a farmer, a loan from a lender who obtains money from an FICB bank may be an important ace in the hole.

Federal Intermediate Credit Banks were specially set up in 1923 to provide financing institutions with money for loans to farmers.

Eligible institutions include national and State banks, trust companies, agricultural credit corporations, incorporated livestock loan companies, savings institutions, credit unions, and any association of agricultural producers engaged in making loans to farmers and ranchers.

To qualify for FICB backing, these institutions must be incorporated, have a sound capital structure and good income prospects, comply with all State laws, and be willing to pay for periodic financial examinations.

Certain limitations are also placed on loan amounts, maturities, and interest rates. Only loans for "agricultural purposes" may be discounted by an FICB.

These specifications may be obstacles for some small institutions wanting to obtain FICB funds. But they are not major hurdles for financing institutions which operate on a solid business basis.

However, the cost involved may discourage a lender from discounting loans with an FICB. For example, in mid-1968 the FICB discount rate on funds ranged from 6.45 to 7.00 percent, compared with the Federal Reserve discount rate of 5.25 percent.

What this frequently means is that a lender can obtain funds from other sources at a lower cost than from an FICB.

Also, some institutions prefer not to base interest charged on the unpaid balance of a loan, as is required by FICB's. Rather, they like to base interest payments on the face or original amount of the loan throughout the repayment period. They are not limited in doing this when they lend money from other sources.

The farmer is assured, however, that FICB funds—specifically earmarked for agricultural use—are available to lenders serving agriculture in both good times and bad. (*2*)

Beef Boom

Fed beef production is booming in the Pacific Northwest. Even so, regional output still isn't high enough to meet regional demand.

Example: In 1965 the three-State region produced an estimated 307.1 million pounds of fed beef. But consumption totaled about 403.4 million pounds.

The supply-demand gap was widest in Washington, where the beef appetite topped output by 82.6 million pounds. Oregon also had a sizable deficit, 79.3 million pounds. Idaho, however, produced 65.6 million pounds more than its residents ate.

Much of the Pacific Northwest's fed beef output is shipped to deficit areas in other parts of the country and supplies brought in, instead of moving beef from surplus to deficit areas within the region.

The outshipments result primarily from the seasonality of production. At present, it is cheaper to transport the beef in and out than to store it from one season to another. (*3*)

Counting Farmers' Noses To Be Done by Mail in '69 Ag Census

The census taker won't be paying farmers a visit next year.

Instead, the 1969 Census of Agriculture will be taken by a questionnaire, mailed—not this January—but in January 1970. Farmers are required by law to complete and mail back the questionnaire within a reasonable time. Followup procedures will be used to obtain missing reports.

This "mail out, mail in" technique should prove cheaper than the "knock-on-door" method used in 1964 and earlier years.

Formerly, paid enumerators called on all farm operators to help them complete the questionnaires.

Next year, though, farmers and ranchers will be on their own when it comes to filling out and returning the forms. It's assumed they have farm records to serve as a guide.

Some statistical items will be reported in 1969 only for farms with sales of $2,500 or more. Typical items are: acres of crops irrigated, number of wheel-type versus crawler-type tractors, acres of alfalfa harvested, number of regular hired workers, tons of dry and liquid fertilizer used, acres of major crops fertilized, acres limed, inventory numbers of cattle, hogs, and sheep by age-sex classes, and number of grain-fed cattle sold.

In most respects, however, the 1969 Census and what it covers will be comparable to 1964 and earlier censuses.

The definition of a farm has not been changed. Places of less than 10 acres will be counted as farms if 1969 sales of agricultural products are at least $250. Places of 10 acres or more will also qualify as farms if sales amount to at least $50.

Principal data items for all farms are: total number of farms, acres in farms, average

value of land and buildings per farm, cropland harvested, total land irrigated, acreage devoted to seven major crops, and numbers of major kinds of livestock on the farm.

And all farmers in all counties will be asked again to give their age, value of all farm products sold (including forest products), days of off-farm work, recreation income, number of autos, trucks, tractors, combines, and corn pickers (including corn heads for combines).

Expenditure questions will include, as usual, purchases of feed, fertilizer, pesticides, lime, gasoline and other farm fuels, machine hire, farm labor, and livestock and poultry purchases.

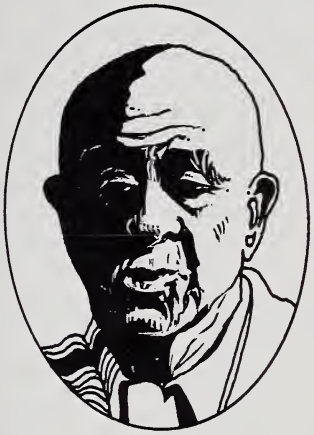
In January 1971 there will be a followup census of major production trends on the specialized farming operations which produce most of our Nation's food and fiber.

Plans for these supplemental census surveys are still on the drawing board, but they might go something like this:

Dairymen who report dairy sales of $10,000 or more in 1969 might be asked: Was any feed grinding or mixing done on your farm? What type of milking parlor did you have? What did you spend on health products?

Other specialized production for which this sort of additional input or output data may be assembled are fruit, vegetables, livestock, poultry, cash grain, tobacco, other field crops, field seeds, hay, and miscellaneous items (including horticulture).

Of course, farmers and everyone else will be participating in the Census of Population and Housing, to be taken as of April 1, 1970. This census will be the primary source of data on characteristics of farm and nonfarm people and housing. Occupation in 1970 versus 1965, education, and net farm income after operating expenses are some of the facts to be recorded. (*4*)



Men and Milestones

GREATNESS IN SPITE OF OBSTACLES

It is 1896 and the boll weevil is ravaging southern cotton fields. George Washington Carver, newly appointed head of Tuskegee Institute's (Ala.) agricultural department, urges farmers to shift to other crops. He backs up his words with scientific studies that later uncover new uses for such neglected crops as peanuts and sweetpotatoes.

* * *

Born of slave parents, George Washington Carver taught himself to read and write. He then worked his way to and through college, finally receiving his master's degree in botany in 1896.

As head of the department of agriculture at Tuskegee Institute for more than 40 years, Carver consistently found himself reaching beyond the classroom to serve the southern farmer and the undernourished poor.

By creative research, he developed pigments for paints, wood stains, wallpapers, and ceramic products from the clays of Alabama. He developed more than 118 products from the sweetpotato, more than 300 products from peanuts.

In addition, he discovered new ways of utilizing cotton by putting its fibers in paving blocks, cordage, paper, rope, and many other industrial items.

And from the soybean he developed several types of flour and oilseed products.

His findings proved to be foundations for the building of new businesses that, in turn, opened up new markets for farmers' crops.

George Washington Carver's life, in the words of President Franklin D. Roosevelt, "will for all time afford an inspiring example to youth everywhere." (*5*)

The South Cottons to Cattle As Beef Production Potential Rises

"Swanee River" may never replace "Home on the Range" on the cowboys' hit parade.

But in other ways southern cattle ranches offer the resourceful cattleman many of the opportunities open to westerners.

Judging by trends since 1956 in three southern regions—Appalachian, Southeast, and Delta States—there is great potential for beef cattle production below the Mason-Dixon line. The Appalachian Region for example, showed an 18-percent increase in proportion of pounds of cattle and calves produced, from 1956–60 to 1961–65. The Southeast Region showed a 14-percent increase and the Delta States almost a 7-percent increase over the same period.

Midsouth methods. Breeding, calving, and marketing programs in this region vary considerably, but most southern cattle raisers use the cow-calf system.

This requires large amounts of forage from either tame pasture (open land cultivated periodically), rotation pasture, range and forest grazing, or a combination of these.

Because of the generally warmer southern climate, grass range or forest grazing is available 7 to 10 months of the year. Calving cows are placed on these lands and in winter are fed hay, grain, and protein supplements.

Following calving, cows and calves go to tame or rotation pasture where the grass is lush. When the big growthy calves are ready for feedlots, they are sold. Cows are then culled, replacements held over and the herd is returned to range or forest grazing.

Livestock farms outnumber ranches. Despite increased southern interest in beef production, livestock "ranches" are still relatively few in number below the Mason-Dixon line.

As defined by the U.S. Census of Agriculture, a livestock ranch must be over 100 acres in size, have a 10 to 1 ratio of pasture to cropland, and sell livestock and livestock products valued at 50 percent or more of all farm product sales.

There were no livestock ranches in the Appalachian Region when the census was taken in 1959. And such operations accounted for only 1 out of 17 farms raising cattle for beef in the other two southern regions under special consideration.

The average livestock ranch in the Southeast was 4,446 acres in size, of which 26 acres were in harvested cropland. In the Delta States, 855 acres was the size of the average livestock ranch—with 18 acres of cropland harvested.

Typically the Southeast ranch had 431 head of cattle and the Delta States ranch 171 head.

Most cattlemen in the South, however, produce beef cattle as an adjunct to their other crops. On these crop and livestock farms, cattle and animal products represent less than 50 percent of the value of all farm products sold.

The size of these farms varied from an average of 236 acres in the Appalachian Region and 334 acres in the Delta States to 423 acres in the Southeast.

There were 35 cattle per mixed farm enterprise in Appalachia, 54 in each of the other two regions.

Forty-eight acres of cropland were harvested on the typical Appalachian crop and livestock farm in 1959, while 38 and 66 acres were harvested in the Delta States and Southeast Regions, respectively. (*6*)

Charting the Course

The chart story of U.S. agriculture for 1968 is now available in a USDA handbook. With 157 charts and many tables, this reference for economists and agribusinessmen runs the gamut—from farm inputs to world trade.

Single copies of the *Handbook of Agricultural Charts, 1968*, AH-359, are free on postcard request (please include your zipcode) from the USDA Office of Information, Wash., D.C. 20250.

Color slides are also available—157 charts for $19.00, individual charts 30 cents each. (*7*)

Findings Favor Baled Hay For Forage Handling at Lowest Cost

A question for Wisconsin dairy farmers: What forage handling system will lower your costs?

Here are some findings from a study of 48 Wisconsin dairy farms and eight different forage harvesting systems—four baled hay systems, two chopped hay systems, and two hay silage systems.

Land costs or seeding costs were not included in the findings.

On 100-cow farms, the most efficient baled hay system provided forage at an average cost of $10.96 per ton—the lowest cost of any system covered in the 1965 study. Hay silage on these farms cost $13.09 per ton.

On 40-cow farms, comparable figures showed the baled hay system provided forage at an average cost of $12.96 per ton. The hay silage system provided it at an average of $15.63 per ton—the highest cost system studied.

However, completely mechanized hay silage feeding systems became more and more profitable the larger the herd.

And corn silage costs were lowest in hay silage systems since the same equipment could be used for both hay and corn silage.

Labor is an important part of total forage costs, however. With a 40-cow herd and labor at $1.25 an hour, the least mechanized baled hay system was the lowest cost method. But when labor costs

$2.50 an hour a more mechanized baled hay system is low.

At the 100-cow farm size, the most mechanized baled hay system is the least cost no matter whether hired hands get $1.25 or $2.50 an hour.

Thus, as quantity of forage or cost of labor increases, the more mechanized systems are likely to cost least.

Total investments for harvesting, storing, and feeding forage (including corn silage) ranged from $18,560 for the least mechanized baled hay system up to $23,165 for an automated hay silage feeding system.

Two-thirds of the farms had mechanical bunk feeders; three-fourths of those with hay silage had completely mechanized their feeding systems (*8*)

Feed Grain Supplies Ample For '68/69; Stronger Prices Possible

Supplies for this 1968/69 feeding season promise to be abundant again, as they were last season. A larger carryover at the beginning of the season more than offset the smaller 1968 crop.

The 1968/69 feed grain supply was estimated at 219 million tons in November, 6 million larger than last year.

The rise in supply is the result of an 11-million-ton increase in carryover from the previous year, which countered the 3-percent decline in the 1968 feed grain crop from 1967's record output.

In October, feed prices were about 7 percent below a year earlier, but are expected to strengthen as the year advances.

Prices have been generally below loan rates, and more feed grains are going under price-support loan this year than last.

Generally favorable livestock/feed price ratios are pointing toward liberal feeding practices. Domestic consumption of feed grains is expected to be around 4 or 5 percent more than in 1967/68.

With large supplies again available in Europe, U.S. feed grain exports will probably continue at about the 1967/68 level of 23 million tons.

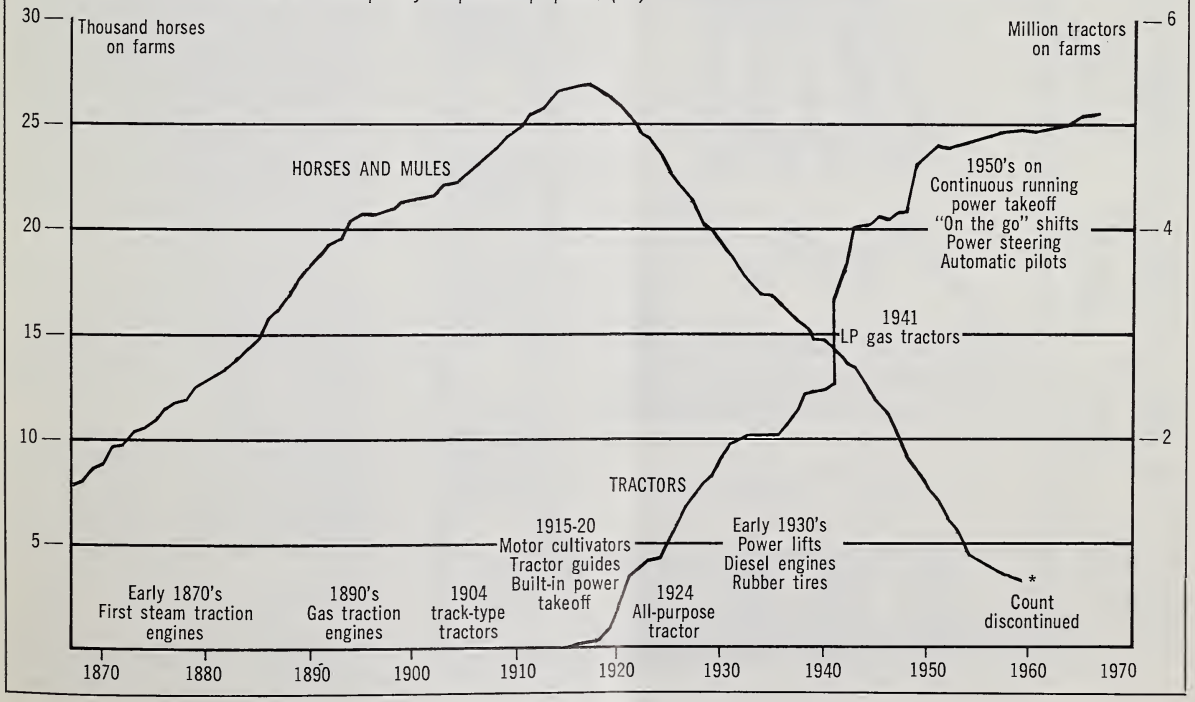
The 1968 feed grain crop was estimated as of November 1 at 171 million tons, about 4 million below the record 1967 output.

Carryover this year is expected to show little change from the 48 million tons of last year. (*9*)

HORSES TO HORSEPOWER: The first "tractors" used on America's farms were actually steam traction engines which pulled a plow or a thresher. Monster machines, often weighing more than 45,000 pounds, they required two men to operate the steam engine, two to haul coal and water, two to operate the plow or thresher, a waterboy, and several men to lug bundles to the thresher and to haul the grain away in horsedrawn wagons.

Many modifications later, today's tractors are a far cry from their early predecessors. Machines developing more than 50 horsepower weigh less than 7,000 pounds.

The horse, once the farmer's major source of motive power, began to decline in importance after the development of the all-purpose tractor during the 1920's. From a peak of 26.7 million horses and mules on farms, the last count in 1960 showed only 3.1 million. Most of the horses left are kept only for pleasure purposes. (*10*)



Indians, here long before most of our forefathers came, are finding many of their traditions at odds with the requirements of modern American life styles.

To move ahead, something must be left behind. For American Indians, though, progress sometimes means the sacrifice of a whole cultural heritage.

Blending the traditional with the modern has proved more difficult for the Indian than for most other Americans.

Our economy today is based on money, instead of barter. Our families are nuclear, not extended. Our common language is English, not an Indian dialect.

Home for the majority of America's Indians is the reservation. While no census count has been made since 1960, the Bureau of Indian Affairs estimates the Indian population in 1967 exceeded 640,000—of whom 440,000 lived on or near Indian trust lands.

There were about 290 Indian reservations under Federal jurisdiction in the "Lower 48" in 1967—and 124 areas in Alaska which were government-owned and used by Indians, Aleuts, and Eskimos.

Many reservations are in isolated rural areas where the agricultural potential is poor. And the distance to wagework is often great.

The unemployment rate for the reservation population was estimated at about 40 to 50 percent in 1962—seven to eight times the national average. The average annual family income was only $1,500 in 1962.

Finding work on a reservation gets harder year by year—as the Indian population continues to expand at a rapid rate while its resource base remains relatively fixed.

Consequently, many Indian men seek seasonal work off the reservation in mines, agriculture, roadbuilding, irrigation projects,

public works, and small industries. Lacking the learning required by our society, though, most can hold only unskilled jobs and earn only minimal wages.

In 1960 the median number of school years completed by Indians 14 years or older was 8. Indian farm residents averaged about 1 year less than their nonfarm rural counterparts.

These nationwide figures, however, do not express the educational extremes. Some Indians hold college degrees. Far more do not. And many have scarcely the equivalent of a kindergarten education.

Indians with the motivation and the means to do so have been migrating to the cities. The Indian urban population almost doubled during the 1950's. But by the decade's end, little more than a fourth of the Indian population as yet lived in urban centers.

While city living offers the greatest economic rewards, it often entails the most cultural sacrifices.

A permanent move means a permanent break not only with the extended family system of the Indians but with much tribal tradition and ceremony. It means the youngsters will not often hear their own language spoken or their own history recounted. It means the beginning of assimilation into America's mainstream, but the end of many ties with the past.

For teenagers the changeover spells difficult adjustments. For their grandparents it often means something else—best described by the word "anomie."

Anomie is a word not found in most people's vocabularies. This is fortunate, for it's a sad word that connotes a feeling of uselessness, despair, and alienation from one's environment.

Yet many older American Indians in today's world suffer from anomie. In yesterday's world, old age was in most cases the prime of life for the Indian who lived to be 65.

To have survived to that age meant that he was extremely healthy and strong—the fittest of his generation. He had also proved himself a skillful hunter, successful farmer, or seasoned warrior.

His knowledge of these pursuits made him a valuable and revered member of his tribe. Even after he was too old to participate in anything but ceremonial activities, he had a full-time job as a leader, educator, and advisor.

But many young Indians today don't want or need to learn these skills of their elders. And the ceremonial knowledge and tribal lore, which were also the oldsters' duty to impart, often seem irrelevant or downright silly to today's Indian youths.

The extended family system also gave the older Indian a useful place in society. Child care, for example, was left to the grandparents while the parents performed other duties. But this, too, is passing as modern Indian mothers complain of their elders' unmodern ways.

Too, under the old social system the relatively few individuals who lived to attain old-age status were easy to provide for. Today they are often a real financial burden to young members of the family who are operating in a cash economy with the low incomes of unskilled workers.

The respect and care once accorded to the wise old men and women of the family is even harder to give when they are not only an economic burden but often disagree with the way the family is being run.

The problem of anomie among older American Indians is becoming more acute because their ranks are now growing. Better health care has lengthened their life expectancy, at the same time that modern society has lessened their usefulness. (*11*)

Will It Be a House To Own? To Rent? or Use Cash Free?

Hired farmworkers, like most everybody else, either own or rent their homes. But unlike most people, about 20 percent of all farm wageworkers occupy their living quarters without paying any cash for rent.

In other words, about 700,000 of the over 3.1 million farm wage earners in 1965 had no expenditures for rent while doing farm work.

Usually, farmhands with this type of arrangement are nonmigrants, employed on a regular basis on one farm. They agree to work for a cash wage and a house or some other type of dwelling for themselves and their families.

About half of those who did not pay house rent in 1965 were heads of household. The remainder, including some members of the regular worker's family, were mostly housewives, students, and other seasonal workers.

Migratory workers who traveled the farmwork circuit often received free housing, too, while on the road. However, once migratory workers got home, only about 10 percent lived in quarters where no cash rent was charged. By contrast, around 25 percent of the nonmigrants still lived in rent-free housing off-season.

About 70 percent of the hired farmworkers who paid no cash rent lived on farmland; and 75 percent lived in the South.

About one-third of all farm wage earners in 1965 paid cash rent for their living quarters, and around nine-tenths of these workers lived off the farm.

Nearly half of all farmworkers came from families that owned their own homes. About half of these workers were students, most of whom worked almost exclusively during summer months and lived in households where the head was not a farmworker. (*12*)

Many Rural Youth Live Outside Our Nation's Affluent Society

"I'd really like to go to college, but my folks just don't have the money to send me."

Many teenagers, with the motivation and the mentality, miss out on college because they don't have the money to go.

Chances are, though, that a greater percentage of the youth caught in this bind live in the country than in the city.

At the time of the last population census, more than three-fourths of America's farm youth were members of families with incomes under $6,000. Thirty percent came from families where incomes totaled less than $2,000.

Youngsters in families with such low earnings—less than $2,000—miss out on other things besides college. They don't see a doctor or dentist as often as more affluent youth. Many don't even have proper school clothes.

Children of rural nonfarm residents were somewhat better off than their farm friends. Sixty-five percent lived in families where incomes were under $6,000 —but only 15 percent in families with earnings under $2,000.

It was in the city where youth were most acquainted with affluence. Fewer than half were members of families where incomes totaled less than $6,000; only 8 percent belonged to families in the less-than-$2,000 income bracket.

In contrast, nearly a fifth of the city youngsters came from families where earnings topped $10,000, compared with only 8 percent of the rural nonfarm youth and 7 percent of the farm youngsters. (*13*)

The Wives' Tale

About 30 percent of the hired workers on U.S. farms are women and girls—who don their slacks to help with seasonal work.

Generally, the married women who do paid farmwork come from families where incomes are low. In 1965 the family average was about $2,700—when the wife's only outside job was farmwork. It rose to $3,142 when the wife worked at both farm and nonfarm jobs during the year.

Family incomes may average a bit higher for the wives who are white, live off the farm, outside the South, or have more than an eighth grade education. Chances are these women are married to men with better paying jobs. (*14*)

Aim Higher Than High School For Jobs With a Brighter Future

Rumor has it that jobs are in the cities. But where the jobs are is not simply a matter of location. It depends on the education of the job hunter, too.

The fastest growing employment opportunities, in big city or small town, are in the occupations that require more than a high school diploma.

For example, it's projected that by 1975 there will be nearly half again as many jobs in professional and technical occupations as in 1965. But most will be reserved for people with some formal training—either in college or special trade schools. Already in 1965, more than three-fifths of the workers in these fields had more than a high school education.

Employment in service occupation (waiters and custodians, for example) and in clerical occupations is projected to climb by about a third during the 1965–75 decade.

The service jobs are ones where a high school diploma may be enough to open the employment door. Only about a fifth of the service workers in 1965 had formal training beyond high school. But clerical positions are largely the domain of the formally trained. More than half the workers in 1965 had some college or other formal education beyond high school.

Projections point to a gain of 20 to 25 percent during 1965–75 in the number of jobs for managers, officials, and proprietors; craftsmen, foremen, and kindred workers; and sales personnel. But many of those jobs will emphasize education. In 1965, two-fifths of the craftsmen on payrolls had some formal college training, as did a third of the managers and almost a fourth of the sales people.

Jobs requiring lesser amounts of formal training are likely to dwindle or grow only slowly during 1965–75.

There will probably be a 19-percent drop in the number of U.S. farmers and farmworkers where fewer than 16 percent were formally trained in 1965.

A 3-percent decrease is projected in job openings for nonfarm laborers. Only 7 percent of these workers had been educated beyond high school in 1965.

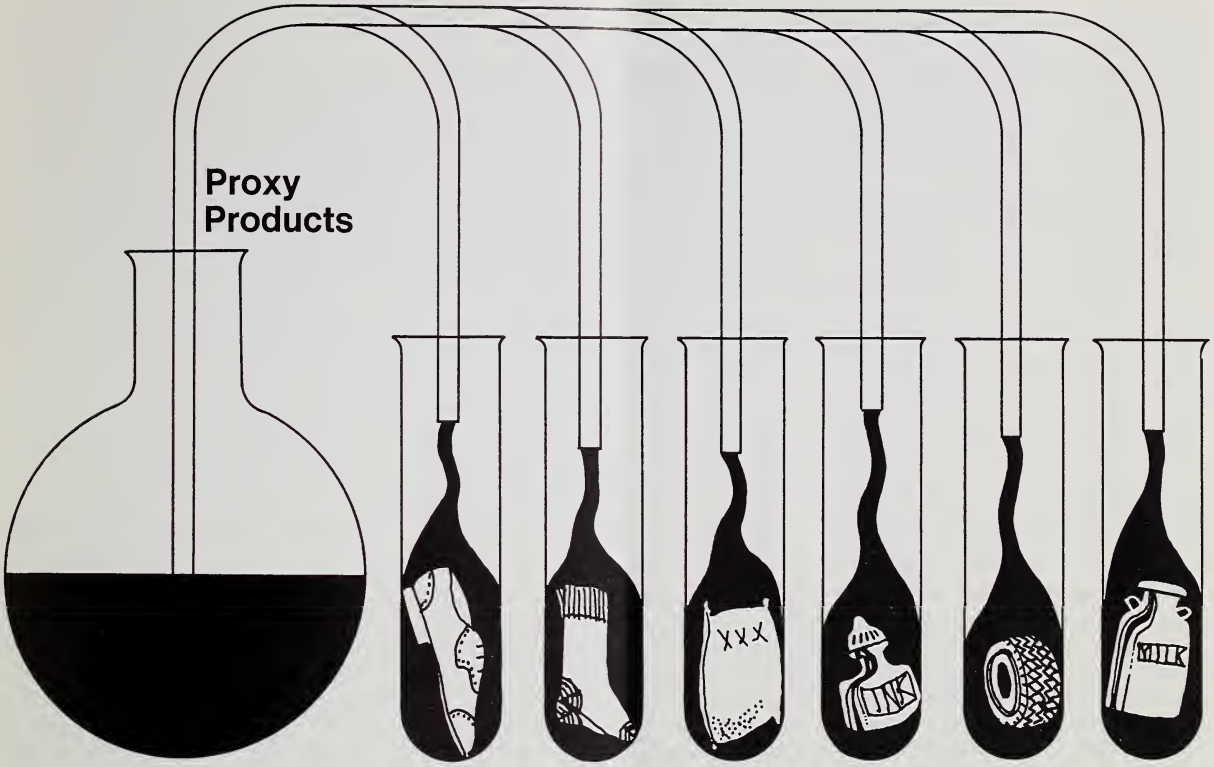
Employment opportunities for operatives—slightly more than a tenth of whom were formally trained in 1965—are projected to expand by a meager 12 percent by 1975. (*15*)

Academic Arithmetic

The college boom started when World War II servicemen began hitting the books under the G.I. Bill, and it has continued to grow.

By 1950, more than 2 million students were enrolled in colleges and universities. By 1965, enrollment had more than doubled to 5½ million. And another doubling, to 9 million students, is in sight for 1975.

The proportion of 18- to 21-year-olds who are students has also swelled. In 1950, about 25 percent of this age bracket was enrolled in college. By 1965, it was above 45 percent, and it is expected to reach 55 percent by 1975—as the college boom continues booming. (*16*)



Substitutes for traditional agricultural products come from a lot of sources, including agriculture. Shifts in production and marketing could temper their impact.

What will synthetic foods and fibers do to agricultural markets? It depends on the source of the raw materials.

If new synthetic food and fiber substitutes are derived wholly from nonagricultural sources, they are likely to affect agriculture adversely.

If, however, substitute products are derived wholly or partially from agricultural raw materials, adverse affects on some segments of agriculture are likely to be counterbalanced by production and marketing shifts in the agricultural economy as a whole.

Urea, noncellulosic fibers, saccharin, and cyclamates are examples of products derived from nonagricultural materials.

Substitute materials from agricultural sources are usually used in the manufacture of food and nonfood products that have the same general characteristics as traditional agricultural products they imitate. These include filled milk, coffee whiteners, meat substitutes, and margarines.

Markets for fiber and feed have felt the impact of the substitutes from nonagricultural sources.

Domestic use of fibers was 9.3 billion pounds in 1967—43 percent higher than in 1955. During the same period, cotton consumption rose only 11 percent. If it had increased in its former relation to total fiber consumption, it would have been 5.5 billion pounds rather than the 4.7 billion actually used.

Back on the farm, this represented a difference of about 1.6 million 500-pound bales, or $205 million in gross income.

And there's urea used in feeds for ruminants. In 1966, 192,000 tons of feed-grade urea were fed to livestock. This was the equivalent of 1.1 million tons of 44-percent soybean meal, or the soybean meal from approximately 1.9 million acres of soybeans, or $90 million at the wholesale level.

The impact of substitutes from agricultural sources is not so easy to measure. Yet developments in this direction can be expected to change the traditional market relationships of various commodities in both food and nonfood markets. Incomes from marketing will more than likely be redistributed among the different commodities and producing regions.

Substitute products derived from agricultural raw materials could widen the price spread between farm commodities and retail products derived from them because of increased processing. Making soy protein look and taste

like a meat product takes some doing at some cost.

Nonetheless, agriculture has managed to hold its own in the past. In the present it can be expected to adjust to the shifting patterns of demand.

Here are some future possibilities as visualized by a recent ERS task force.

Agriculture will remain the major supplier of raw materials for the food market. But commodities may take on new forms through processing. And if one commodity can be processed to substitute for another, competition between them will probably intensify as each seeks to maintain or expand its proportionate share of the food market.

Agriculture's share of the consumer food dollar may decline as processing becomes more complex and processor/retailer margins rise.

Food regulations will play an important part in the development and commercialization of synthetic food products from nonagricultural sources. The new foods will have some qualities that can't be developed from agricultural sources and that meet a specialized demand.

It's likely that regulations affecting the use of synthetic substitutes will become less restrictive. And new regulations will concentrate on product quality and safety.

Synthetics will continue to penetrate nonfood markets, too. But their inroads will be offset partially by continuing research programs on agricultural commodities.

Agriculture has so far had a certain degree of success in developing new derivatives to meet the technical and functional requirements of both food and nonfood users. Progress has been made, too, in finding alternative markets for displaced raw materials from agriculture. There's no reason to think this won't continue. (*17*)

Smaller Cotton Harvests Spell Surplus Capacity in Texas Gins

Innkeepers in New England don't break even when half their rooms are empty.

Cotton ginners in the Cotton Belt can't break even, either, when two-thirds of their ginning capacity isn't used.

And this is the situation in the High Plains of West Texas. Modern, high-capacity ginning facilities there represent investments ranging from $350,000 to $500,000. Yet only a third of the ginning capacity was used in the 1966/67 season, and not much more than half of it was used the previous season.

The Texas ginners, like many elsewhere, had problems handling the Nation's cotton crop in years when it was a bulging 15 million bales. But over capacity has now become their biggest problem—. intensified when U.S. cotton production plummeted to 9.6 million bales in 1966 and then to 7.5 million bales in 1967.

Competition among ginners for the dwindling production of seed cotton is taking the form of price concessions and extra services.

Meanwhile, operating costs rise constantly. And the greater the decline in capacity utilization, the higher the per bale costs go.

In the High Plains area—focal point of an Economic Research Service study—ginning costs per bale at 50 percent of capacity utilization are 29 to 42 percent higher than when operating at full capacity. And at 30-percent capacity use, costs average 65 to 69 percent higher, depending on size of plant.

If the present situation continues, more and more gins will be forced to shut down. The only way they can survive is to cut costs and maintain peak operating efficiency. Their ability to do this will depend to a considerable extent on the availability of accurate, currently updated information about actual costs and possibilities for reducing them.

This was the objective of the recent ERS study, undertaken with the cooperation of area ginners.

The study covered 371 active ginning firms. They were divided into four size groups by hourly capacity ranges. Cost figures were then based on records of nine firms selected at random from each group.

Actual ginning volumes in this sampling ranged from 2,017 to 24,277 bales for the 1965/66 season and 300 to 13,136 bales for

TEXAS GINNERS SUFFER FROM OVER CAPACITY

	Group 1	Group 2	Group 3	Group 4
1965/66:				
Hourly capacity (bales)	8 or less	9–11	12–20	21 or more
Estimated capacity utilization, average	80 percent	68 percent	73 percent	54 percent
Cost range per bale	$18.59–$20.03	$19.19–$21.56	$17.10–$20.18	$18.77–$22.20
1966/67:				
Hourly capacity (bales)		Same as in 1965–66		
Estimated capacity utilization, average	53 percent	37 percent	44 percent	30 percent
Cost range per bale	$22.84–$25.80	$26.53–$31.66	$21.98–$27.07	$26.68–$32.20

1966/67. Estimated hourly capacity rating ranged from 7 to 44 bales.

Combined revenue, per bale, averaged $22.22 during the 1965/66 season and $25.71 the following season. This was revenue derived from fees for the ginning service, charges for bagging and ties, and profit on resale of cottonseed.

In 1965/66, the average volume for each size group exceeded that required to break even, though some firms within the groups lacked sufficient volume to come out that well.

But in 1966/67, with greatly curtailed production and ginnings —and an estimated increase of $3.50 per bale in total revenue— only Groups 1 and 3 had big enough volume to break even under actual costs. Under standardized book costs (depreciation and interest standardized at a uniform rate for all firms), average volumes in all four size groups weren't big enough to break even. (*18*)

Institutional Kitchens Test New Milk Concentrate; Find It Good

Institutional kitchens can't afford to be inefficient.

That's why boarding houses, schools, hospitals, children's homes, and correctional institutions are usually on the lookout for new, streamlined food products.

The University of Wisconsin, cooperating with the ERS, recently tested a sterilized milk concentrate at institutional outlets in the East and Midwest. The milk was tested as a beverage, as an ingredient in food preparation, on cereals, and as an additive in coffee.

The concentrate is made from high-quality, fresh whole milk which has had approximately 75 percent of the water removed, reducing it to one-third of its original volume. In this concentrated form, the milk consists of 9.9 percent butterfat, 34.2 percent total milk solids, 400 USP units of Vitamin D, and chemical stabilizers.

What it's finally used for determines the amount of water used to reconstitute it. The recipe for a beverage-type fluid milk with 3.5-percent butterfat is one part concentrate to two parts water. When the proportions are one to one, it can be used as half-and-half. Taken straight, the concentrate doubles for cream.

This product differs from evaporated and condensed milk in a number of respects. It is more highly concentrated. And it has flavor and color advantages, too, in the long run because it is sterilized before canning rather than in the can.

The product was tested in 51 institutions. The staffs were asked to record their use of the concentrate along with comments and reactions from the people to whom it was served.

There were no unfavorable comments about food prepared with the sterilized milk concentrate, though a few rumblings were heard when the concentrate was served as a beverage or for use in coffee and cereal. Overall, the product proved highly acceptable.

The staff involved in preparing the concentrate found it fairly easy to use as an ingredient in cooking. But reconstituting it for beverage use was a problem.

Specialized mixing and serving equipment would probably overcome most of these objections. And revising recipes to accord with use of the concentrate would make the ingredient easier to use in cooking.

The concentrate also has a price advantage that is attractive to institutions. Based on the cost of raw milk, processing, and distribution, the price of sterilized milk concentrate would be competitive with most forms of milk except nonfat dry and dry whole.

Since the concentrate is two-thirds smaller in volume than whole milk, transportation and distribution costs are reduced. Storage and refrigeration costs are less, too.

And the product has a long shelf life. Stored at 45° F., it will be physically stable for at least a year and keep its flavor for a minimum of 3 to 5 months.

Estimated potential sales of the product in U.S. institutional markets range from about 763 million to 795 million pounds of fluid milk equivalent annually—somewhat less than 1 percent of total U.S. farm marketings of milk.

Judging by present patterns and trends in milk use by institutions, the sterilized concentrate could possibly supplant about 18.5 percent of the whole milk and 2-percent milk used in institutions; 18 percent of skim milk and cream; and anywhere from 8 to 80 percent of evaporated milk used, depending on can size and milk class. (*19*)

Wise Feed Managers Cut Costs, Tailoring Purchases to Needs

When the successful livestock feeder shops for feed he'll look for the right product-service package for his needs and take advantage of as many discounts as he can.

What he's buying could be anything from bulk soybean meal to a brand-name product—ground, mixed, and delivered, with management advice and credit allowances from the feed manufacturer.

Some service costs are included in the price of feed. Others are tacked on.

Discounts usually come in two categories—for quantity and for doing without some of the services included in the retail bag rate.

Hog producers in one area of

Illinois kept records of their feed purchases over an 8-week period late in 1967.

The prices they paid varied greatly. Cost of a 40-percent protein commercial formula hog supplement ranged from $5.54 to $9.57 per 100 pounds.

Why such a wide spread? First, 40-percent supplements contain different amounts of expensive ingredients and additives. And they may have different levels of built-in services such as research, quality control, and management tips.

Second, farmers have different buying habits. Those who forego credit and delivery service, buy in bulk, and make advance purchase commitments can obtain substantial reductions in some feed costs.

While most discounts are aimed at the large operator, a livestock feeder with a smaller enterprise can often benefit from discount policies as well.

Discounts of $12 per ton from the retail bag rate were not uncommon for farmers raising 1,000 hogs per year or a comparable number of other livestock. Such discounts were most commonly given in connection with volume purchases, advance commitments, and cash payment.

For a feeder buying only pig starters and protein concentrates, discounts amounted to about $1.00 per hog, or $1,000 extra profit for his operation. (*20*)

Fewer Freight Cars Ride The Rails, But Hauling Power Rises

The number of freight cars available doesn't indicate the railroads' hauling capacity.

In spite of recent reductions in freight car numbers, total loaded capacity increased by more than 2.4 million tons in 1967—a 2.6-percent gain.

Actually, there were about 6,000 fewer freight cars on the rails at the end of 1967 than at the first of that year.

This may seem a small decline since there are almost 2 million freight cars in all, but a recent order by the Interstate Commerce Commission indicated that shortages of boxcars are slowing down the movement of agricultural products.

As a result, the ICC prohibited back-hauling empty boxcars and holding empty boxcars for more than 24 hours.

The number of cars owned by Class I railroads—owners of 82 percent of the Nation's freight cars—declined by almost 14,500 during 1967. At the same time, the total number of cars owned by car companies and shippers increased by about 8,700.

Numbers of plain boxcars, the ones most used for grain, dropped from close to 465,000 to 436,000 —a decline of about 29,000 in 1967—continuing a long term trend.

U.S. stock car numbers also dropped during 1967—from nearly 20,000 to 16,877—reflecting the slump in demand for rail transportation of live animals.

Total numbers of equipped boxcars and covered hopper cars rose considerably during the year—up about 14,000 and 17,000 respectively. (*21*)

Buttering Up

The butter helping, nationwide, increased 69 million pounds this past year.

Domestic use of butter for the marketing year ended Sept. 30, 1968, was estimated at about 1,150 million pounds, compared with 1,081 in 1966/67.

The rise is attributable to a slight step-up in commercial use and also to bigger welfare donations from Commodity Credit Corporation stocks. These CCC stocks were ample, and at the same time there was an increase in the number of counties eligible for welfare programs. (*23*)

Hourly Earnings of Employees In Food Marketing Continue Climb

Hourly earnings of employees in food marketing establishments continued to rise during 1968 as they did in most industries.

As of August 1968, employees in food marketing firms earned an average of $2.66 per hour. This was a jump of 6.0 percent above a year earlier, compared with a rise of 5.5 percent in 1967 and an average annual rise of 3.7 percent during 1958–1967.

People in food marketing increased hourly earnings by about the same percentage as people in other similar occupations.

People working in food manufacturing saw their wages rise 5.7 percent from August 1967 to August 1968, compared with an average of 6.0 percent for all manufacturing establishments.

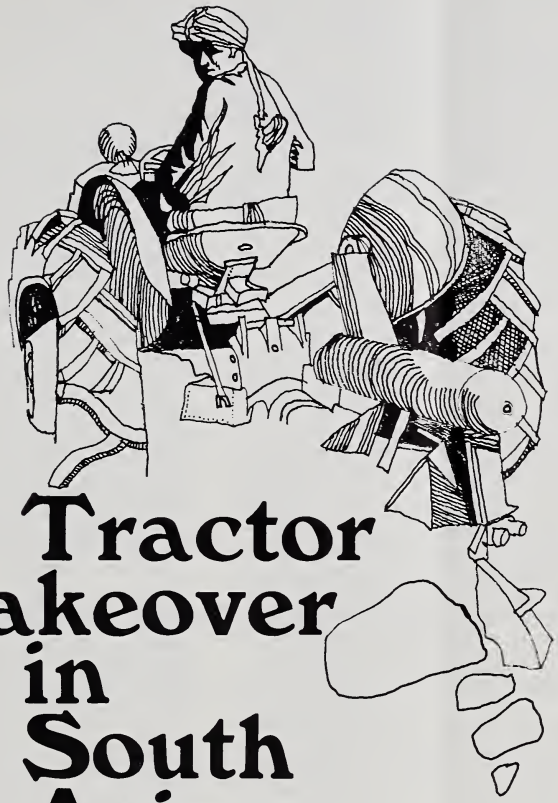
There was an increase of 6.7 percent for retail food store employees, compared with an 8.0-percent rise for all retail trade labor.

On a dollar basis, the hourly earnings in food marketing averaged lower than in the private, nonagricultural sector of the economy.

Annual figures for 1967 show that average hourly earnings were $2.52 for food marketing employees, $2.68 for all employees in the private sector.

Average hourly earnings are affected by changes in the proportions of employees in lower and higher paid occupation brackets and in the number of hours of overtime paid, as well as by changes in wage rates.

Though the cost of labor per hour worked (wages, salaries, and fringe benefits) in food marketing averaged 47 percent higher in 1967 than in 1957–59, the increase in the output of products per man-hour has kept the rise in labor cost per unit of product marketed during the period down to 18 percent. (*22*)



Tractor Takeover in South Asia

Tractor numbers have tripled in the five countries of South Asia, where more and better inputs are sparking the "green revolution" that's paying off at harvesttime.

There's a "green revolution" going on in South Asia.

Improved seed—along with agricultural chemicals and water management—are leading the advance in higher crop yields, while tractors are the hardware at the front.

Farmers in South Asia are now using over 110,000 tractors—almost triple the number they used only 7 years ago. And last crop year the harvest for the area as a whole was up 20 percent from 1966/67.

During planting seasons, many tractors run far into the night on wheat fields, rice paddies, and garden plots in India, Pakistan, and Ceylon—and in Nepal and Afghanistan, too. (These are the five countries that constitute South Asia.)

In India alone, there is a long waiting list of farmers ready to pay cash for tractors. Like their South Asian neighbors, they want and need the machines to reap full benefit from the fertilizer, high-yielding seeds, and insecticides many of them are now using.

Here's how the tractor picture looks from a country viewpoint:

INDIA. About 13,000 to 14,000 tractors are expected to roll off India's assembly lines in 1969, and over 20,000 by 1971.

India manufacturers about two-thirds of the tractors sold to its farmers, and output has doubled in the last 2 years. Use has run strong on farms in north India, which contributed most of the recent gains in wheat production.

The largest tractor factory (it also puts out farm implements) is at Floradabad, an industrial suburb of New Delhi. Operated by the government, with Polish technical

assistance, it was expanded last year to an annual capacity of 7,000 tractors. In 1967 its output of 3,000 medium-sized "Escorts" went mainly to farmers in the Gangetic Plain.

At least six other factories now contribute to India's domestic tractor supplies:

Near Madras, one of the world's leading full-line farm equipment companies has recently expanded its annual tractor capacity to 7,000. Its 1968 output of 3,000 was distributed in south India.

Near Bombay, India's newest factory is operated by another of the biggest international full-line firms. By 1970 its output is expected to reach 7,000—quadruple that of 1967.

In Baroda, Gujarat, the Czechs have helped with the yearly manufacture of about 1,000 "Hindustan" tractors. The Czechs plan to build a factory in Uttar Pradesh—possibly at Floradabad—to assemble their "Zetor 2011," now imported by India for use on medium-sized farms.

In the Punjab, at Faridabad, the West Germans collaborate with the Indians in turning out diesel "Eicher" tractors.

Also in the Punjab, at Ludhiana, the Bulgarians plan to provide technical aid and parts for the manufacture of one of their 14-horsepower models. Most tractors now sold in the Punjab range between 22 hp. and 40 hp. Many farmers who now pay tractor-owning neighbors to plow their land are considered prime prospects as customers for smaller tractors when available.

Near Hyderabad, in Andhra Pradesh, about 2,000 garden tractors are being assembled annually with Japanese technical help.

India's efforts to boost tractor output at home have been stimulated by shortage of foreign exchange for imports. Imports in recent years have been bought mainly through trade agreements not requiring payment in hard currencies.

About 7,300 tractors, valued at $10.5 million, were imported in 1967—triple the 1962 volume.

Yugoslavia supplied about 40 percent of these imports and has quadrupled its tractor shipments to India since 1962.

Poland shipped in only 1,500 tractors in 1967, compared with 3,000 in 1966.

The USSR has been sending India about 1,000 tractors yearly, including over 200 of the large "Byelarus." Smaller DK–24 and DK–28 Russian tractors are imported for about $1,000 to $1,200 each.

Czechoslovakia—formerly the major supplier with exports to India of 2,240 in 1962—sent in only 581 tractors in 1967. But it is outranked only by the United Kingdom as a source of garden tractors. In February 1968, India imported 200 Czech garden tractors—more in one month than from all sources in any 12-month period before.

India's purchases of U.S. garden tractors have been few to date (in 1965/66, for example, only 173, including 23 garden tractors).

Our Export Outlook

Exports of U.S. farm products for the year ending June 30, 1969, are expected to total about $6.2 billion—close to last year's level of $6.3 billion.

As now estimated, the export level would be 13 percent above the 1961-65 average of $5,466 million, though 9 percent below the record set in 1966/67.

Lower prices for several major export items (such as corn, soybeans, and protein meal) will tend to hold down the total value of our farm exports this fiscal year. But volume should be up 5 to 6 percent from 1967/68.

Commercial sales for dollars (including barter exports) are expected to rise to about 80 percent of our 1968/69 shipments. They made up 79 percent last fiscal year.

Higher meat consumption along with increased livestock feeding in a number of countries should benefit our exports of feed grains, soybeans, and protein meal in the year ahead. But large world grain supplies will be an offsetting factor. (*25*)

PAKISTAN. Strong demand for tractors has pointed up their shortage. But the situation may be eased somewhat in West Pakistan, where one of the same big international companies that operates in India is now assembling 35-hp. tractors near Lahore. The plant is scheduled to turn out about 2,500 annually.

Also, USSR and Pakistani officials have announced plans to build an assembly plant for the "Byelarus" DK–20 model. Annual capacity is set at 5,000 of the small and medium-sized models.

Pakistan has been importing tractors heavily. About 16,000 valued at $31 million were brought in during 1967. The volume was triple that in 1964, when imports numbered only $4,178 with a value of $12 million.

The United Kingdom is the major supplier of all types combined. The United States comes next. U.K. tractor exports to Pakistan in 1967 totaled 6,933 valued at $7.9 million. West Germany supplied 1,671 worth $1.5 million.

Western Europe has provided most of the farm tractors. The United States and the USSR have supplied most of the large crawler tractors used for dam building and irrigation projects.

CEYLON. Mechanization per capita in Ceylon is considered the highest of any country in South Asia. And agricultural output has been rising sharply.

The 1968 rice harvest of 2 million tons was double that of 1966, partly because rice farmers with tractors in eastern Ceylon were able to clear new areas.

Tractor imports have risen from 365 in 1965 to over 4,000 in

1967. Most of them came from the United Kingdom (1,572 valued at $2 million), France (1,472 also worth $2 million), the United States (38 valued at $1 million), Australia (22), and some from Italy and the USSR.

NEPAL. Tractor numbers are estimated at about 100—mostly from India. Primary users are rice farmers in the Terai who have begun to increase their plantings. Garden tractors are popular in the Kathmandu Valley, where religion bars the use of draft animals.

AFGHANISTAN. Most of the 400 tractors now used in Afghanistan have been imported from the USSR in the past 10 years. More are needed, especially to expand commercial wheat production, which is mainly on the larger northern farms. (*24*)

40 Million Tons of Fats and Oils Go Into World Production Barrel

Vegetable, animal, and marine life all contributed to the estimated 40 million short tons of edible and industrial fats and oils produced in the world last year.

World output has been increasing steadily the past 9 years. The estimated 1968 volume was 2 percent above that in 1967 and 9 percent above the 1962–66 average.

The United States accounts for one-fourth of world fats and oils production and for almost one-third of world exports.

The most striking feature of the international fats and oil situation the past 2 years has been the phenomenal rise in exports of sunflowerseed and oil from the Soviet Union and Eastern Europe.

Sunflowerseed (oil basis) contributed about 16 percent of world trade in vegetable oils and fats in 1968, compared with only 4 percent in 1960. It ranked second only to soybeans (oil basis) among all of last year's exported vegetable oils.

Other developments affecting the world fats and oils pattern in calendar 1968 included:

—An alltime high in U.S. exportable supplies of soybeans and soybean products.

—Near-record tonnage of peanuts and oil that may move in trade channels this marketing year.

—New highs for rapeseed oil exports, mainly from the European Economic Community and Canada.

—Substantial increases in palm oil production and exports, particularly Malaysian.

—A sharp drop (to lowest level in years) for copra and coconut output and exports, mainly Philippine.

—Only slight improvement in flaxseed supplies, following the 1967 shortage of availabilities.

—A marked uptrend in Peruvian fish oil exports.

—A rise in production and exports of tallow and greases to record levels.

Looking ahead into 1969, sunflowerseed supplies available for export may not be as plentiful as they were last year. Weather wasn't as favorable for the 1968 crop in Eastern Europe and the USSR as it was the previous season.

Supplies of peanuts for oil may also be reduced because India's harvest was down last year. World rapeseed supplies, too, may be somewhat lower than last year. (*26*)

HOW TRADE FIGURES:

BRAZIL. Agricultural imports in 1967 reached a record $317 million. Wheat accounted for $181 million; fruits and vegetables, $56 million; animals and animal products, $18 million; and fats and oils, $17 million.

The U.S. share was $122 million (38 percent)—mainly dairy products, soybean oil, and wheat.

Most U.S. exports to Brazil between 1962 and 1967 have been under Public Law 480 programs. In 1967 Brazil was the fifth largest recipient of P.L. 480 commodities. However, long term credit sales have recently replaced sales for local currencies. Barter sales (considered commercial since 1963) have also increased.

COLUMBIA. Continuing a somewhat erratic trend of recent years, Colombia's agricultural imports plummeted to $44 million in 1967 from $87 million in 1966.

Imports from the United States, at $17 million, made up 39 percent of the 1967 total, compared with 61 percent 5 years earlier. Most of the decline was due to smaller purchases of wheat, which moves mainly under P.L. 480. (*27*)

New Grain Agreement Signed By Soviet Union and Czechoslovakia

The Soviet Union is exporting 1.6 million tons of grain to Czechoslovakia under terms of a new grain agreement. One-fourth of it was to be delivered by the first of the year, the rest later in 1969.

Under the 1968 agreement, Soviet grain exports to the Czechs totaled 1.3 million tons.

From 1964 to 1967, total Czech imports of grain averaged about 1.8 million tons a year. Of this amount, about 1.1 million tons—primarily wheat—was from the Soviet Union. The rest—mostly feed grains—was imported from the United States, Canada, and France.

The U.S. share of non-Soviet grain imports amounted to 60 percent in 1965 and 1966, much less in the other 2 years.

Czechoslovakia's 1968 harvest of bread grains is expected to equal or even slightly surpass that of 1967. (*28*)

LAFTA and CACM Depend On U.S. for Many Farm Products

The Latin American Free Trade Association (LAFTA) and the Central American Common Market (CACM): These associations, founded in 1961, include most of the countries south of the Rio Grande.

LAFTA's original members include Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, and Uruguay. Venezuela and Bolivia joined in 1966 and 1967, respectively.

CACM counts Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua among its member nations.

By 1985, LAFTA and CACM are to merge into a Latin American Common Market. Many difficulties remain to be resolved, so it will probably be some years before this regional integration has a major impact on U.S. farm exports to Latin America.

Meanwhile, LAFTA plans to create a substantially free trade area for products traded between member countries by 1973. Some internal trade barriers between members have already been eased, but progress has been slow so far. About two-thirds of the intra-LAFTA trade is in agricultural products and most members have been concerned with protecting their domestic producers of farm commodities.

Trade between LAFTA members reached a record $1.4 billion in 1966, 10 percent of the association's world trade and more than double the value of intra-LAFTA trade in 1961.

Most of the growth was in agricultural products. Intra-LAFTA trade preferences helped increase trade in some commodities, such as cotton, cattle, fruits, and fats and oils.

The member countries of CACM have been more successful in eliminating internal trade restrictions and have also established common tariffs for most imports.

Intra-CACM trade rose from $37 million in 1961 to $174 million in 1966—from 7 to 18 percent of the area's total trade.

Most of the growth in intra-CACM trade was in nonfarm products, though trade in agricultural products increased as well.

The United States is the main non-Latin American supplier of agricultural commodities to both trade groups. And the dollar value of our exports to them has risen as their markets have grown, despite a decline in our percentage share to the CACM.

Restrictive trade policies and trade preferences for intra-LAFTA suppliers—along with the emphasis on self-sufficiency in some LAFTA countries — have affected some U.S. farm exports to the area.

Most LAFTA countries strictly control all wheat imports. LAFTA trade preferences have adversely affected U.S. exports of cotton to Chile, Ecuador, and Uruguay; tallow to Colombia; edible vegetable oils to Peru; and fruits to Peru and Brazil.

Most U.S. farm exports to Mexico and Venezuela are affected by high tariffs and quantitative restrictions generally applied to all importers.

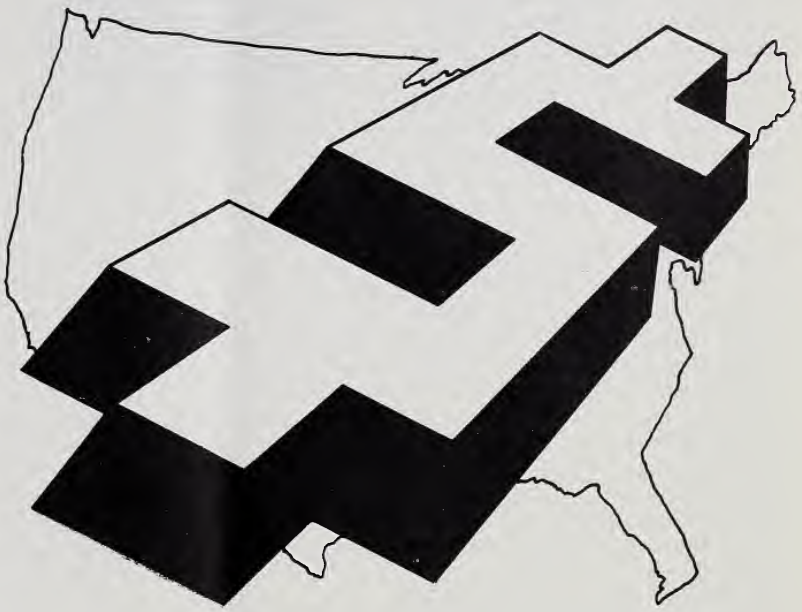
Our exports to CACM of wheat, tallow, rice, feedingstuffs, and live animals have risen since 1961, while exports of wheat flour, lard, tobacco, and vegetables have declined. (*29*)

U.S. FARMERS SUPPLY ABOUT ONE-THIRD OF LAFTA AND CACM AGRICULTURAL IMPORTS

Year	LATIN AMERICAN FREE TRADE ASSOCIATION [1]			CENTRAL AMERICAN COMMON MARKET [2]		
	Total agricultural imports	U.S. agricultural exports	U.S. share of total	Total agricultural imports	U.S. agricultural exports	U.S. share of total
	Million dollars		*Percent*	*Million dollars*		*Percent*
1955	868.2	220.9	25	44.4	35.6	80
1956	816.9	309.3	38	42.1	29.0	69
1957	907.1	329.9	36	41.7	28.0	67
1958	826.1	303.3	33	45.6	27.5	60
1959	811.1	275.7	34	70.1	27.7	40
1960	844.3	295.9	35	67.6	26.2	38
1961	836.9	376.9	45	75.7	27.8	37
1962	934.3	318.7	34	65.7	31.2	47
1963	1,023.9	350.9	34	81.5	31.8	39
1964	1,119.2	442.7	40	95.2	37.6	39
1965	1,024.6	348.8	34	106.5	37.2	35
1966	[3] 1,051.3	397.8	38	113.7	41.9	37
1967	n.a.	391.7	n.a.	n.a.	42.0	n.a.

[1] Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay (formally associated 1961), Venezuela (joined 1966), Bolivia (joined 1967).
[2] Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua (formally associated 1961).
[3] Estimated.

What a family spends on food and housing for a year depends a lot on where the family lives. Costs average highest in the Northeast, lowest in the South.



How High Living Costs?

What a family spends on its food and housing depends a lot on where it lives.

Government economists recently moved a hypothetical family to 39 cities in the Nation and constructed a budget for it in each locale.

The budget included all expenditures for food, housing, transportation, clothing and personal care, medical care, and miscellaneous items such as recreation and education.

The quantities and qualities of goods and services were defined by specialists as meeting adequate standards rather than average expenditures of a well-established family of four with a moderate standard of living.

Expenditures were figured on the basis of average prices in the various cities during the autumn of 1966.

The head of the hypothetical family—let's say his name was John Smith—was 38 years old and well-advanced in his profession. His wife, a bit younger, didn't work outside the home. The Smiths had two children: a boy, age 13, and a girl, age 8.

The Smiths (a well-established family with a moderate standard of living) had a family budget of $9,191 a year. Their spending on goods and services was about $7,329 annually. Their food bill came to about $2,143 (including meals eaten away from home). Their housing costs (including utilities, maintenance, furnishings, and operation) averaged $2,214.

But in very few U.S. cities do living costs hit the urban average right on the nose.

Here's what happened to the Smiths' expenditures when the family moved around the Nation.

Food costs. If the Smiths lived in Honolulu, Hawaii, their food bill would have totaled a whopping 19 percent above the U.S. urban average.

New York City and Hartford, Conn., were also expensive places to feed a family, with annual food bills 11 percent more than average.

Elsewhere in the Northeast, food costs ranged from 3 to 8 percent higher than the urban average. In the West, they went from 5 percent below (in San Diego, Calif.), to 6 percent above (in Seattle, Wash.).

Eating was least costly in the South. Annual food bills in nine of the 10 southern cities studied ranged from 5 to 8 percent below the urban average. In the tenth city, Washington, D.C., the Smith family could have gotten by with a food budget equal to the urban average.

In most of the cities in the North Central Region, annual food costs were fairly close to the nationwide average. The cheapest place to feed a family of four within the region was Green Bay, Wis. (where the annual bill was 7 percent below average). The most

VARIATIONS IN LIVING COSTS FROM U.S. AVERAGE*

Area	Total	Food	Housing
		Percent	
Northeast:			
Boston, Mass.	+10	+ 8	+23
Hartford, Conn.	+10	+11	+15
New York-N.E. New Jersey	+10	+11	+20
Buffalo, N.Y.	+ 4	+ 3	+ 7
Portland, Maine	+ 2	+ 6	− 1
Philadelphia, Pa.	0	+ 7	− 4
Lancaster, Pa.	− 3	+ 7	−12
Pittsburgh, Pa.	− 3	+ 4	−11
North Central:			
Chicago, Ill.-N.W. Indiana	+ 5	0	+15
Champaign-Urbana, Ill.	+ 3	− 1	+12
Cleveland, Ohio	+ 3	− 2	+11
Milwaukee, Wis.	+ 3	− 4	+13
Cedar Rapids, Iowa	+ 2	− 3	+ 6
Indianapolis, Ind.	+ 2	− 2	+ 6
St. Louis, Mo.-Ill.	+ 1	+ 3	− 1
Minneapolis-St. Paul, Minn.	0	− 4	+ 3
Detroit, Mich.	− 1	0	− 6
Kansas City, Kans.-Mo.	− 1	0	− 6
Wichita, Kans.	− 2	− 1	− 6
Cincinnati, Ohio-Ky.-Ind.	− 2	− 2	− 2
Dayton, Ohio	− 4	− 4	− 8
Green Bay, Wis.	− 4	− 7	− 5
South:			
Washington, D.C.-Md.-Va.	+ 1	0	+ 5
Nashville, Tenn.	− 5	− 8	− 9
Baltimore, Md.	− 6	− 5	−10
Baton Rouge, La.	− 6	− 5	−15
Dallas, Tex.	− 6	− 6	−15
Durham, N.C.	− 7	− 8	− 9
Houston, Tex	− 7	− 5	−19
Orlando, Fla.	− 7	− 7	−11
Atlanta, Ga	− 8	− 6	−18
Austin, Tex.	−11	− 7	−24
West:			
Honolulu, Hawaii	+18	+19	+29
San Francisco-Oakland, Calif.	+ 7	+ 2	+ 9
Seattle-Everett, Wash.	+ 7	+ 6	+ 4
Los Angeles-Long Beach, Calif.	+ 3	− 2	− 2
San Diego, Calif.	+ 1	− 5	0
Denver, Colo.	0	− 1	0
Bakersfield, Calif.	− 3	− 3	−13

* The quantities of goods and services in the budget were defined by specialists as meeting adequate standards rather than average expenditures.

expensive place was St. Louis, Mo., where the food total was 3 percent bigger than average.

Food costs in nonmetropolitan areas of the United States are generally lower than in the big cities. The range was from about 10 percent below the urban average in the South to 2 percent above in nonmetropolitan areas in the Northeast.

Housing costs. Honolulu led the Nation again, this time with housing costs 29 percent above average.

Boston, Mass., New York City, and Chicago, Ill., were also expensive places to live—with housing costs topping the urban average by 23, 20, and 15 percent, respectively.

Housing costs varied a great deal within regions, but not too much between regions—except in the case of the South.

In the Northeast, the range was from 12 percent below the urban average in Lancaster, Pa., to Boston's high of 23 percent above.

Bakersfield, Calif., was the cheapest place to house a family in the West—with costs 13 percent less than average.

The Smith family could have gotten by with an 8 percent smaller-than-average housing budget in Dayton, Ohio. Dayton was the North Central Region's least cost city when it came to housing. Chicago ranked as its most costly.

In all the southern cities except Washington, D.C., housing costs were at least 5 percent below the urban average. In Austin, Texas, they were down as much as 24 percent.

A four-person family like the Smiths would have had to pay about 5 percent more than the U.S. urban average for housing in Washington, D.C.

Housing costs in nonmetropolitan areas ranged from 4 percent below the urban average in the Northeast to 24 percent less in the North Central Region and South. (*30*)

FARM INCOME: STATE ESTIMATES, 1949-1967. Farm Production Economics Division. FIS–211 Supp.

The tables in this 134-page report, a supplement to the Farm Income Situation, contain estimates of both gross and net farm income by States. Estimates for Alaska and Hawaii start in 1960 and are shown here for the first time.

WORLD TRADE IN SELECTED AGRICULTURAL COMMODITIES 1951-65. VOLUME II—FOOD AND FEED GRAINS: WHEAT, RICE, MAIZE, BARLEY, AND OTHER CEREALS. A. B. Mackie and A. N. Filippello, Foreign Development and Trade Division, and J. F. Keefer, Foreign Regional Analysis Division. FAER–45.

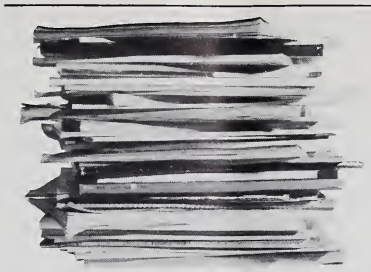
This is one in a group of statistical reports prepared in connection with studies and analyses of demand prospects for agricultural products of the world's less developed counties. Flow of grain trade for 19 importing or exporting regions during 1961–65, along with related data, is analyzed in 158 tables and explanatory text.

THE 1968 AGRICULTURAL DATA BOOK FOR THE FAR EAST AND OCEANIA. Far East Branch, Foreign Regional Analysis Division. ERS–For. 219.

Current and historical facts on production and trade of farm products provide an overview of the agricultural situation in the major food deficit area of the world, including the Asian subcontinent.

ALTERNATIVE DAIRY TECHNOLOGIES: A COMPARISON OF UNIT COST, NET RETURN, AND INVESTMENT. B. M. Buxton, Minnesota Agricultural Experiment Station in cooperation with the Farm Production Economics Division. Minn. Agr. Expt. Sta. Bull. 490.

Several complete dairy farm systems are synthesized (constructed on paper) from selected housing, milking, feeding, and field machinery components. Through linear programing, the farm organization with about the highest possible gross income level at lowest cost, and with a specified labor supply, is determined for each farm system. The systems representing alternative dairy technologies are then compared as to relative efficiency and profitability.



RECENT PUBLICATIONS

The publications listed here are issued by the Economic Research Service and cooperatively by the State universities and colleges. Unless otherwise noted, reports listed here and under Sources *are published by ERS. Single copies are available free from The Farm Index, OMS, U.S. Department of Agriculture, Washington, D.C. 20250. State publications (descriptions below include name of experiment station or university after title) may be obtained only by writing to the issuing agencies of the respective States.*

EXTENT OF FARM PESTICIDE USE ON CROPS IN 1966. A. Fox and others, Farm Production Economics Division. AER–147.

Findings in this report are based on an enumerative survey in 1966 of about 9,600 farmers in 417 counties throughout the 48 contiguous States. Information was obtained on pesticide costs and quantities of specific chemicals used in connection with storage of crops and livestock.

FARM FINANCIAL MANAGEMENT RESEARCH: A THEORETICAL ANALYSIS. D. Bostwick, Farm Production Economics Division. ERS–389.

Financial management is the managerial process applied to financial resources. It therefore partly overlaps the area generally conceded to farm production management.

Terms are defined in this study in a manner designed to be most useful in farm financial management research.

ECONOMIC EVALUATION OF FORAGE HANDLING SYSTEMS. N. D. Kimball, Farm Production Economics Division, G. S. Willett and R. E. Rieck, University of Wisconsin. Wis. Expt. Sta. Bull. 590.

A study of 48 Wisconsin dairy farmers during the spring and summer of 1965 showed the baled hay system to be the least cost system for both large and small farms. (See page 6.)

ORGANIZATION AND OPERATION OF BURLEY TOBACCO-LIVESTOCK FARMS IN SOUTHWEST VIRGINIA. W. D. Givan, Farm Production Economics Division, and R. G. Kline, Virginia Polytechnic Institute. Va. Expt. Sta. Bull. 25.

Changes in prices and technology are among the factors considered in this formulation of guidelines for farmers choosing among alternative production possibilities, and for other persons who are developing and administering agricultural programs.

RESOURCE REQUIREMENTS FOR $5,000 OPERATOR'S INCOME IN SELECTED COTTON-PRODUCING AREAS OF THE SOUTH. South Carolina Agricultural Experiment Station in cooperation with the Farm Production Economics Division. Southern Coop. Series Bull. No. 140.

In most areas of the South, many farms are not large enough to provide an acceptable level of

income to the operator. Opportunities for increasing farm size may be limited by capital rationing, by scarcity of productive cropland, by the ambition and management capacity of farm operators and other factors. However, for those farmers capable of making adjustments in farm size, this study provides information on the amount of land and other resources required for given levels of income.

INTERREGIONAL ADJUSTMENTS IN CROP AND LIVESTOCK PRODUCTION: A LINEAR PROGRAMMING ANALYSIS. R. F. Brokken, Farm Production Economics Division, and E. O. Heady, Iowa State University. ERS–Tech. Bull. 1396.

This study provides basic information for appraising the Nation's food production potential and evaluating the need and possibilities of interregional adjustments in land use for crop and livestock production.

AGRICULTURAL DEVELOPMENT AND EXPANSION IN THE NILE BASIN. C. J. Warren, Foreign Regional Analysis Division. FAER–48.

The purpose of this study is to determine how much agricultural production is likely to increase as result of the completion of major development projects in the Nile Basin. Consideration is given to existing agricultural potential.

ECONOMICS OF AGRICULTURE: REPORTS AND PUBLICATIONS ISSUED OR SPONSORED BY USDA's ECONOMIC RESEARCH SERVICE, OCTOBER 1966-SEPTEMBER 1967. Compiled by I. L. Hardaway. ERS–368.

This selected list of research publications in the field of agricultural economics and related socio-economic studies updates the bibliographies of the Economic Research Service available as ERS–350—1961–65, and ERS–343, October 1965–September 1966. Prior related lists are ERS–Foreign 167, Economics of Agriculture of Foreign Countries and U.S. Foreign Agricultural Trade, April 1961–March 1966, and ERS–205 (with annual supplements), Marketing Economics Research Publications—A Reference List.

COTTON GIN OPERATING COSTS IN WEST TEXAS. C. A. Wilmot, D. L. Shaw, and Z. M. Looney, Marketing Economics Division. MRR–831.

The Texas ginners, like many elsewhere, have problems handling the Nation's cotton crop. But over capacity has now become their biggest problem.

BEEF, PORK, AND FEED GRAINS IN THE CORNBELT: SUPPLY RESPONSE AND RESOURCE ADJUSTMENTS. D. Colyer, University of Missouri, and G. D. Irwin, Farm Production Economics Division. Mo. Agr. Expt. Sta. Research Bull. 921.

Complexity in the grain-livestock sector arises from both technical and economic interdependence of the two sets of products. Any change that affects either feed or meat inevitably influences the supply or demand conditions of the other. This study examines some of the forces that have shaped recent developments in the U.S. feed grain-livestock industry.

DAIRY ADJUSTMENTS IN THE NORTHEAST—AN ANALYSIS OF POTENTIAL PRODUCTION AND MARKET EQUILIBRIUM. New Hampshire Agricultural Experiment Station in cooperation with the Farm Production Economics Division. N. H. Agr. Expt. Sta. Bull. 498.

In this appraisal of interregional competition, attention is focused on two elements:

The supplies of milk and competitive products (i.e., other livestock and feeds) that could profitably be produced by Northeast dairy farmers in 1965 at varying milk prices; and the price and quantity of fluid and manufacturing milk eligible under supply and demand equilibrium.

Numbers in parentheses at end of stories refer to sources listed below:

1. G. C. Allen, R. L. Mighell, and B. G. Hobson, Urea Consumed by Cattle on Feed, (M); 2. Aaron G. Nelson, Federal Intermediate Credit Bank Discount Requirements of "Other Financing Institutions" and an Analysis of Their Effect on the Flow of Capital (M); 3. J. B. Johnson and R. E. Vaile, Characteristics of the Pacific Northwest Beef Industry, Oreg. Agr. Expt. Sta (M*); 4. J. R. Grant (SM); 5. W. D. Rasmussen (SM); 6. C. C. Boykin and T. C. Cartwright, Beef Cattle Production Techniques Which May Have Major Economic Implications in the South, Tex. Agr. Expt. Sta. Inf. Rpt. No. 16 (P*); 7. U. S. Department of Agriculture, Handbook of Agricultural Charts, 1968, AH-359 (P); 8. I. D. Kimball, G. S. Willett, and R. E. Rieck, Economic Evaluation of Forage Handling Systems, Wis. Agr. Expt. Sta. Bull. 590 (P*); 9. Feed Situation, FdS-226 (P); 10. P. E. Strickler (SM); 11. Economic Development Division (SM); 12. and 14. A. Rapton, A Socio-Economic Profile of the 1965 Farm Wage Force (M); 13., 15., and 16. Economic Development Division, Age of Transition: Rural Youth in a Changing Society, AH-347 (P); 17. Marketing Economics Division, A Compendium of Current Information on Synthetics as Substitutes for Agricultural Products (M); 18. C. A. Wilmot, D. L. Shaw, and Z. M. Looney, An Analysis of Gin Operating Costs in West Texas, MRR-831 (P); 19. R. Cropp, H. Moede, and T. Graf, Marketing Potential for Sterilized Milk Concentrate in Institutional Outlets, Wis. Agr. Exp. Sta. Res. Bull. 271 (P*); 20 W. G. Bursch (SM); 21. and 22. Marketing and Transportation Situation, MTS-171 (P); 23. Fats and Oils Situation, FOS-244 (P); 24. J. Parker, Mechanization Boosts Farm Output in South Asia (M); 25. and 27. Foreign Agricultural Trade, January '69 (P); 26. Fats and Oils Situation, FOS-245 (P); 28. Foreign Regional Analysis Division (SM) 29. S. A. Libbin, "Effects of the Latin American Free Trade Association on U.S. Agricultural Exports," For. Agr. Trade, October '68 (P), and "The Central American Common Market and the Changing Pattern of Its Agricultural Imports," For. Agr. Trade, January '69 (P); 30. National Food Situation, NFS-123 (P); 31. Fats and Oils Situation, FOS-245 (P).

Speech (S); published report (P); unpublished manuscript (M); special material (SM); * **State publications may be obtained only by writing to the experiment station or university cited.**

ECONOMIC TRENDS

ITEM	UNIT OR BASE PERIOD	'57-'59 AVERAGE	1967		1968		
			YEAR	NOVEMBER	SEPTEMBER	OCTOBER	NOVEMBER
Prices:							
Prices received by farmers	1910-14=100	242	253	251	267	262	262
Crops	1910-14=100	223	224	228	230	228	227
Livestock and products	1910-14=100	258	277	269	299	291	292
Prices paid, interest, taxes, and wage rates	1910-14=100	293	342	343	355	358	359
Family living items	1910-14=100	286	322	325	338	339	341
Production items	1910-14=100	262	287	286	292	292	294
Parity ratio		83	74	73	75	73	73
Wholesale prices, all commodities	1957-59=100	—	106.1	106.2	109.1	109.1	109.5
Industrial commodities	1957-59=100	—	106.3	107.1	109.2	109.7	109.8
Farm products	1957-59=100	—	99.7	96.4	102.8	101.2	103.1
Processed foods and feeds	1957-59=100	—	111.7	110.9	115.3	114.4	114.7
Consumer price index, all items	1957-59=100	—	116.3	117.8	122.2	122.9	—
Food	1957-59=100	—	115.2	115.6	120.4	120.9	—
Farm Food Market Basket: [1]							
Retail cost	Dollars	983	1,081	1,080	1,128	1,132	[3] 1,126
Farm value	Dollars	388	413	401	443	434	[3] 429
Farm-retail spread	Dollars	595	668	679	685	698	[3] 697
Farmers' share of retail cost	Percent	39	38	37	39	38	[3] 38
Farm Income: [7]							
Volume of farm marketings	1957-59=100	—	124	170	138	182	174
Cash receipts from farm marketings	Million dollars	32,247	42,788	4,699	4,107	5,206	4,900
Crops	Million dollars	13,766	18,383	2,640	1,786	2,678	2,700
Livestock and products	Million dollars	18,481	24,405	2,059	2,321	2,528	2,200
Realized gross income [2]	Billion dollars	—	49.1	—	51.6	—	—
Farm production expenses [2]	Billion dollars	—	38.8	—	36.2	—	—
Realized net income [2]	Billion dollars	—	14.2	—	15.4	—	—
Agricultural Trade:							
Agricultural exports	Million dollars	4,105	6,380	667	470	464	—
Agricultural imports	Million dollars	3,977	4,452	380	463	396	—
Land Values:							
Average value per acre	1957-59=100	—	[4] 166	[4] 166	[5] 170	[5] 170	[4] 176
Total value of farm real estate	Billion dollars	—	[4] 189.5	[4] 189.5	[5] 193.7	[5] 193.7	[4] 200.6
Gross National Product: [2]	Billion dollars	457.4	789.7	—	871.0	—	—
Consumption [2]	Billion dollars	294.2	492.2	—	541.1	—	—
Investment [2]	Billion dollars	68.0	114.3	—	127.1	—	—
Government expenditures [2]	Billion dollars	92.4	178.4	—	199.6	—	—
Net exports [2]	Billion dollars	2.7	4.8	—	3.3	—	—
Income and Spending: [6]							
Personal income, annual rate	Billion dollars	365.3	628.8	644.9	699.7	703.2	707.0
Total retail sales, monthly rate	Million dollars	17,098	—	26,385	28,863	28,713	29,144
Retail sales of food group, monthly rate	Million dollars	4,160	—	5,841	6,145	6,164	—
Employment and Wages: [6]							
Total civilian employment	Millions	63.9	74.4	75.0	76.0	76.0	76.4
Agricultural	Millions	5.7	3.8	3.8	3.6	3.5	3.7
Rate of unemployment	Percent	5.8	3.8	3.8	3.6	3.6	3.3
Workweek in manufacturing	Hours	39.8	40.6	40.7	41.1	41.0	40.8
Hourly earnings in manufacturing, unadjusted	Dollars	2.12	2.83	2.88	3.05	3.06	3.08
Industrial Production: [6]	1957-59=100	—	158	160	165	166	167
Manufacturers' Shipments and Inventories: [6]							
Total shipments, monthly rate	Million dollars	28,745	45,712	46,955	51,441	52,590	—
Total inventories, book value end of month	Million dollars	51,549	82,819	82,389	87,614	87,614	—
Total new orders, monthly rate	Million dollars	28,365	45,928	47,320	51,877	53,932	—

[1] Average annual quantities of farm food products purchased by urban wage-earner and clerical-worker households (including those of single workers living alone) in 1959-61—estimated monthly. [2] Annual rates seasonally adjusted fourth quarter. [3] Preliminary. [4] As of November 1. [5] As of March 1. [6] Seasonally adjusted. [7] Annual and quarterly data are on 50-State basis; monthly data are on 48-State basis.

Sources: U.S. Dept. of Agriculture (Farm Income Situation, Marketing and Transportation Situation, Agricultural Prices, Foreign Agricultural Trade, and Farm Real Estate Market Developments); U.S. Dept. of Commerce (Current Industrial Reports, Business News Reports, Advance Retail Sales Report, and Survey of Current Business); and U.S. Dept. of Labor (The Labor Force and Wholesale Price Index).

We Like Peanuts

Take a roasted peanut in the shell. Crack it open with your thumb. Scoop out the two brown-skinned kernels and pop them into your mouth.

You have just become a factor contributing to the rise in peanut consumption since 1955/56.

In that year our population ate 955 million pounds of peanuts (farmers' stock basis) or 5.8 pounds per person.

By 1967/68 this figure reached 1,496 million pounds, and we're expected to add another 4 million pounds to the total in 1968/69.

Last year (1967/68) we all ate enough roasted and salted peanuts, or peanut butter and other foods containing peanuts, to add up to 7.6 pounds per person.

This was just a shade under peak U.S. consumption of 7.7 pounds per person in 1965/66, when use totaled 1,505 million pounds.

About two-thirds of all the peanuts used in the United States are eaten in the form of peanut butter or candy, or salted and roasted-in-shell peanuts.

Of the quantity used for shelled edible purposes, about 53 percent of the 1967 peanut crop went into the manufacture of peanut butter, 23 percent was salted, 22 percent was used in candy, and 2 percent in other food products.

The third of the 1967 crop that consumers did not eat was diverted under the Commodity Credit Corporation program for export, for crushing into oil or meal, and for stocks.

(All peanut weights cited are on farmers' stock basis.) (*31*)

THE FARM INDEX

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